

**BEFORE THE  
NEBRASKA PUBLIC SERVICE COMMISSION**

In the Matter of the Application of )  
GCIA Corp. d/b/a STAND UP WIRELESS for )  
Designation as an Eligible Telecommunications )  
Carrier in the State of Nebraska )

Application No.

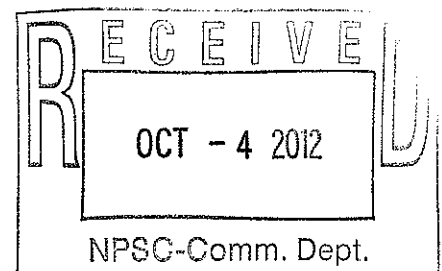
*C-45281*  
*NKSF-84*

**APPLICATION OF GCIA CORP. D/B/A STAND UP WIRELESS FOR  
DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER  
IN THE STATE OF NEBRASKA**

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STAND UP WIRELESS*

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**I. INTRODUCTION**

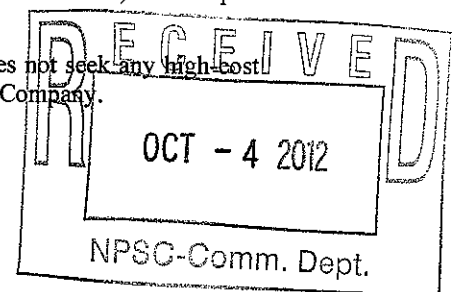
GCIA Corp. d/b/a STAND UP WIRELESS ("Stand Up Wireless" or the "Company"), by its undersigned counsel, and pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the "Act")<sup>1</sup> and Sections 54.101 through 54.207 of the Rules of the Federal Communications Commission ("FCC"),<sup>2</sup> and the rules and regulations of the Nebraska Public Service Commission ("Commission"),<sup>3</sup> hereby submits this Application for Designation as an Eligible Telecommunications Carrier ("ETC") in the State of Nebraska. Stand Up Wireless seeks ETC designation solely to participate in the federal Universal Service Fund's ("USF") Lifeline program and the Nebraska Universal Service Fund's ("NUSF") Nebraska Telephone Assistance Program ("NTAP"); the Company will not seek access to funds from the USF or NUSF/NTAP for the purpose of participating in the Link-Up program or providing service to high cost areas.<sup>4</sup> As demonstrated herein, and as certified in Exhibit 1, Stand Up Wireless meets all the statutory

<sup>1</sup> 47 U.S.C. § 214(e)(2).

<sup>2</sup> 47 C.F.R. §§ 54.101-54.207.

<sup>3</sup> See Nebraska Administrative Code, Title 291, Chapter 5 §§ 009.01-009.02C ("Commission's Rules") and Chapter 10 § 004 ("NETC Rules").

<sup>4</sup> Given that Stand Up Wireless only seeks support from the low-income program and does not seek any high-cost support, ETC certification requirements for the high-cost program are not applicable to the Company.



and regulatory requirements for designation as an ETC in the State of Nebraska, including the new requirements outlined in the FCC's *Lifeline and Link Up Reform Order*.<sup>5</sup> Rapid grant of 'Stand Up Wireless' request, moreover, would advance the public interest because it would enable the Company to commence much needed Lifeline service to low-income Nebraska residents as soon as possible. Accordingly, the Company respectfully requests that the Commission expeditiously approve this Application for ETC designation.

All correspondence, communications, pleadings, notices, orders and decisions relating to this Application should be addressed to:

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Attorney for GCIA Corp. d/b/a STAND UP WIRELESS

## **II. UNIVERSAL SERVICE OFFERING**

### **A. Company Overview**

Global Connection Inc. of America ("Global Connection") is a Georgia Corporation.<sup>6</sup> Its principal office is located at 5555 Oakbrook Parkway, Suite 620, Norcross, Georgia 30093. Global Connection provides local exchange telecommunications services throughout the United

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<sup>5</sup> *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) ("*Lifeline and Link Up Reform Order*").

<sup>6</sup> Global Connection was incorporated in the State of Georgia on June 1, 1998. Global Connection registered with the Nebraska Secretary of State (under the fictitious name "GCIA Corp.", see Exhibit 2) on April 20, 2004 and filed its Stand Up Wireless trade name on September 24, 2012. Global Connection Inc. of America's corporate and trade names, identifiers, and its holding company, operating companies and affiliates are: Stand Up Wireless (dba), and Global Connection Holdings Corporation (holding company).

States and is designated as an ETC on a wireline basis in Alabama, Arkansas, Georgia, Louisiana, Michigan, and North Carolina. Global Connection provides commercial mobile radio service ("CMRS") throughout the United States under its d/b/a, Stand Up Wireless, and provides prepaid wireless telecommunications services to consumers by using the Sprint PCS and Verizon Wireless ("Sprint/Verizon") networks on a wholesale basis. Stand Up Wireless obtains from Sprint/Verizon, via an agreement with Boomerang Wireless, LLC d/b/a Ready Mobile ("Ready Mobile"), the network infrastructure, including wireless transmission facilities to allow Stand Up Wireless to operate as a Mobile Virtual Network Operator ("MVNO"). Stand Up Wireless has been designated as an ETC in Arkansas, Louisiana, Maryland, Michigan, Missouri, Wisconsin and West Virginia and currently has applications for ETC designation pending with Arizona, Georgia, Illinois, Kansas, Massachusetts, Minnesota, New Jersey, Ohio, Pennsylvania, Puerto Rico, Texas and Washington; no such petitions have been denied.

Stand Up Wireless' prepaid wireless services that are affordable and easy to use are attractive to low-income and lower-volume consumers, providing them with access to emergency services and a reliable means of communication that can be used both at home and while traveling to remain in touch with friends and family and for contacting prospective employers. Stand Up Wireless offers consumers simple and affordable prepaid calling plans, a variety of prepaid service plans, easy-to-use handsets and high-quality customer service. Given its pricing and marketing strategy and the demographics of other, similar MVNOs' customers, Stand Up Wireless anticipates that many of its customers will be from low-income backgrounds and will not previously have enjoyed access to wireless service because of economic constraints, poor credit history, or sporadic employment. Stand Up Wireless does not conduct credit checks or require customers to enter into long-term service contracts as a prerequisite to obtaining wireless service.

By providing affordable wireless plans and quality customer service to consumers who are otherwise unable to afford them, or were previously ignored by traditional carriers, Stand Up Wireless will expand the availability of wireless services to many more consumers, which is the principal reason that Congress created the universal service program.

**B. Proposed Lifeline Offering**

Stand Up Wireless has the ability to provide all services and functionalities supported by the universal service program, as detailed in Section 54.101(a) of the FCC's Rules (47 C.F.R. § 54.101(a)) throughout Nebraska. Stand Up Wireless intends to be a leader in the prepaid marketplace by offering consumers exceptional value and competitive amounts of voice usage.

The Company's Lifeline service offering will provide customers with the same features and functionalities enjoyed by all other Stand Up Wireless prepaid customers, with one notable exception: prepaid Lifeline services will not require payment of an out-of-pocket fee by subscribers, but instead, Stand Up Wireless will receive support from the Lifeline program as compensation for providing those services. Stand Up Wireless' free Lifeline plan (StandUp 100) includes separate pools of both voice minutes and text minutes. Competing Lifeline wireless providers typically deplete voice minutes when text is used, reducing the available voice minutes available to customers and thereby reducing the provider's per customer cost because text messaging costs are typically much lower than voice minute costs. According to Pew Research Center, in May 2010, seventy-two percent (72%) of adults reported sending or receiving a text message.<sup>7</sup> Since text messages draw from their own pool, Stand Up does not deplete the pool of voice minutes available for use of text messages and vice versa. Separate pools for both voice

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<sup>7</sup> Amanda Lenhart, *Adults, Cell Phones and Texting*, Pew Research Center Publications, September 2, 2010.



minutes and text messages are in the consumers' best interest as it preserves critical voice minutes for consumers who utilize text messaging.

Under the Company's Wireless Lifeline Plan, Stand Up Wireless customers will have several options to choose from. In addition to StandUp 100, customers will also be permitted to select one of Stand Up Wireless' alternative plans, which offer customers the opportunity to receive more text units and voice units. Such alternative plans will be offered to Lifeline customers at a subsidized rate. Where Stand Up Wireless customers select an alternative plan, Stand Up Wireless will apply the total Lifeline subsidy of \$9.25 per month to the retail rate of the alternative plan. Competing Lifeline wireless providers typically offer only a base package with required retail top up to add more voice minutes and/or texts. The initial plans offered by Stand Up Wireless are as follows:

**StandUp 100.** Stand Up Wireless will provide qualified Lifeline customers with a monthly allotment of 100 free anytime local and long distance minutes and 100 free SMS text messages, and all applicable taxes and fees will be included. Thus, Stand Up Wireless will use all Lifeline support to allow the Company to provide the service with no monthly recurring charge, ensuring that the consumer receives 100% of all universal service support funding for which the Company will seek reimbursement. Unused minutes and unused SMS text messages will rollover from month to month.

**StandUp 250.** Stand Up Wireless will provide qualified Lifeline customers with a monthly allotment of 250 free anytime local and long distance minutes, and all applicable taxes and fees will be included. Unused minutes do not rollover from month to month.

**StandUp 500.** Stand Up Wireless expects to provide qualified Lifeline customers with a monthly allotment of 500 anytime local and long distance minutes and 500 SMS text

messages at a cost of \$14.95 per month, excluding applicable taxes and fees. Unused minutes and unused SMS text messages do not rollover from month to month in this plan.

**StandUp 1000.** Stand Up Wireless expects to provide qualified Lifeline customers with a monthly allotment of 1000 anytime local and long distance minutes and 1000 SMS text messages at a cost of \$29.95 per month, excluding applicable taxes and fees. Unused minutes and unused SMS text messages do not rollover from month to month in this plan.

**StandUp Unlimited.** Stand Up Wireless expects to provide qualified Lifeline customers with unlimited voice minutes and 1000 SMS text messages for \$34.95 per month, excluding applicable taxes and fees. Unused minutes and unused SMS text messages do not rollover from month to month in this plan.

New Stand Up Wireless customers must choose a plan upon enrollment. If the customer selects a non-FREE plan, payment must be made directly to Stand Up Wireless or one of its designated payment agent locations prior to activation of service. Existing Stand Up Wireless customers who wish to switch plans may do so at [www.StandUpWireless.com](http://www.StandUpWireless.com) or by calling a toll free number. Stand Up Wireless customers who select one of the three (3) non-FREE plans must make payment for their upcoming service period five (5) days prior service period end date. Customers who fail to make payment prior to the deadline will be automatically changed to the free StandUp 100 plan with 100 free airtime minutes and 100 free SMS text messages for the subsequent service period.

Calls made to Stand Up Wireless customer service made by customers via their Stand Up Wireless handset will not deplete the customer's available airtime. Stand Up customers can contact Stand Up Wireless customer service by dialing a short code (e.g. \*611) from their Stand Up Wireless phone to address billing, service and general account issues with all voice minutes

used in association with such calls being credited to the customer's account. Customers whose balance of voice minutes has been exhausted will still be able to make outbound calls to Stand Up Wireless customer service as long as their service is active. Calls to 911 emergency services are always free, regardless of service activation or availability of minutes.

In the event that all airtime subscribed to has been used, Lifeline customers will have the ability to purchase additional time. At this time additional credits may be purchased at the rate of \$5.00 for 40 credits; \$10.00 for 100 credit; \$20.00 for 250 credits, \$30.00 for 500 credits; and \$50.00 for 1000 credits by calling our toll free number or at [www.StandUpWireless.com](http://www.StandUpWireless.com). Credits may also be purchased at any authorized Stand Up Wireless payment center. Each credit provides one (1) minute of airtime or one (1) SMS text message.

All Lifeline plans will also include a free handset and the following Custom Calling features at no charge:

- (1) Caller ID;
- (2) Call Waiting;
- (3) 3-Way Calling
- (4) Voicemail.

Upon certification of the customer for Lifeline, wireless handsets will be delivered, at no charge, and the requisite number of minutes will be added upon service activation. Stand Up Wireless will not seek reimbursement from the USF for new subscribers until they have personally activated the service, either by initiation and/or actual use of the service.

Attached hereto as Exhibit 3 is a summary table of the Company's proposed Lifeline service offering.<sup>8</sup> As Exhibit 3 demonstrates, the Company's Lifeline offering will not only allow feature-rich mobile connectivity for qualifying subscribers at no cost to the subscriber, but also will bring a variety of rate plans into the reach of eligible customers that are comparable in

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<sup>8</sup> The Company's Lifeline terms and conditions can be found at [www.StandUpWireless.com](http://www.StandUpWireless.com).

minutes and features to those available to post-paid wireless subscribers – but at low rates and without a the burden of credit checks or service contracts. Stand Up Wireless’ prepaid offering will be an attractive alternative for consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

**C. Prevention of Waste, Fraud and Abuse**

Stand Up Wireless recognizes the importance of safeguarding the USF. Therefore, the Company has implemented the following 60-day non-usage policy in an effort to avoid waste, fraud, and abuse of the program. Stand Up Wireless will not seek reimbursement from the USF for inactive subscribers who have not used the service for a consecutive 60-day period.<sup>9</sup> Stand Up Wireless will notify its subscribers at service initiation about the non-transferability of the phone service, its usage requirements, and the de-enrollment and deactivation that will result following non-usage in any 60-day period of time.<sup>10</sup> An account will be considered active if during any 60-day period the authorized subscriber does at least one of the following: makes a monthly payment; purchases minutes from the Company to add to an existing pre-paid Lifeline account; completes an outbound call; initiates an outbound SMS or data usage; answers an incoming call from anyone other than the Company, its representative, or agent; or affirmatively responds to a direct contact from the Company confirming that he or she wants to continue.<sup>11</sup> Stand Up Wireless will provide the subscriber 30 days’ notice, using clear, easily understood language, that the subscriber’s failure to use the Lifeline service within the 30-day notice period will result in service termination for non-usage; such notice may be given after 30 days of non-

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<sup>9</sup> See *Lifeline and Link Up Reform Order* at ¶ 257.

<sup>10</sup> See *id.*

<sup>11</sup> See *Lifeline and Link Up Reform Order* at ¶ 261.

usage. Customers that have been deactivated may participate in the Company's Lifeline service in the future by reapplying and re-establishing eligibility.

To further protect the integrity of the USF, Stand Up Wireless has contracted with CGM, LLC of Roswell, Georgia, a lifeline service bureau, to edit all subsidy request data. CGM will process and validate the Company's subsidy data to prevent: (1) Duplicate Same-Month Lifeline Subsidies (Double Dip): any name/address that is already receiving a lifeline subsidy from the Company will be automatically prevented from receiving a second lifeline subsidy in that same month; and (2) Inactive lines receiving subsidy: CGM's systems compare all subsidy requests to underlying network status to ensure that subsidies are requested only for active lines. Through the processes described above, Stand Up Wireless ensures that it does not over-request from support funds.

### **III. THE COMMISSION HAS JURISDICTION TO DESIGNATE WIRELESS ETCs**

Section 214(e)(2) of the Act provides state public utility commissions with the "primary responsibility" for the designation of ETCs.<sup>12</sup> Although Section 332(c)(3)(A) of the Act prohibits states from regulating the entry of or the rates charged by any provider of commercial mobile service or any private mobile service, this prohibition does not allow states to deny wireless carriers ETC status.<sup>13</sup> Therefore, the Commission has the authority to designate Stand Up Wireless as an ETC. Pursuant to this authority, the Commission has historically participated in determining whether to grant ETC status to an applying carrier, including any requesting wireless carrier.<sup>14</sup> Under the Act, a state public utility commission with jurisdictional authority

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<sup>12</sup> 47 U.S.C. § 214(e)(2).

<sup>13</sup> See *Federal-State Joint Board on Universal Service, First Report and Order*, 12 FCC Rcd 8776, 8858-59, ¶ 145 (1997) ("USF Order").

<sup>14</sup> See e.g., *In the Matter of the Application of TerraCom, Inc., Ojlahoma City, Oklahoma, for designation as an eligible telecommunications carrier in the State of Nebraska*, Application No. C-4464-NUSF-81, Order (August 7, 2012) ("TerraCom ETC Order").

over ETC designations must designate a common carrier as an ETC if the carrier satisfies the requirements of Section 214(e)(1). Stand Up Wireless recognizes that Section 214(e)(1)(A) of the Act states that ETCs shall offer services, at least in part, over their own facilities and that Section 54.201(i) of the FCC's Rules (47 C.F.R. § 54.201(i)) prohibits state commissions from designating as an ETC a telecommunications carrier that offers services exclusively through the resale of another carrier's services. However, the FCC recently granted forbearance from enforcement of this facilities requirement to carriers seeking Lifeline-only ETC designation.<sup>15</sup> Section 10(e) of the Act (47 U.S.C. § 160(e)) provides: "[a] State commission may not continue to apply or enforce any provision of this chapter that the [Federal Communications] Commission has determined to forbear from applying under subsection (a) of this section." As such, the Commission is required by Section 10(e) to act in accordance with the FCC's grant of forbearance, and therefore, may not apply the facilities-based requirement to Stand Up Wireless. Therefore, the Commission has the authority under Section 214(e)(2) of the Act to grant Stand Up Wireless' request for designation as an ETC throughout the State of Nebraska.

**A. The ETC Designation Request Is Consistent with Recent Commission Precedent**

Stand Up Wireless' request for ETC designation to participate in the Lifeline program is consistent with the Commission's recent designation of TerraCom as an ETC.<sup>16</sup> In its decision, the Commission determined that the designation of a prepaid wireless carrier as an ETC would serve the public interest. Stand Up Wireless requests that the Commission expeditiously process its ETC Application so that it can quickly commence providing qualifying low-income Nebraska customers with affordable USF-supported wireless services during these challenging economic

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<sup>15</sup> See *Lifeline and Link Up Reform Order* at ¶ 368.

<sup>16</sup> See *TerraCom ETC Order*.

times for all state residents. Designation of Stand Up Wireless as an ETC would further competition for wireless Lifeline service and would offer eligible consumers an additional choice of providers for accessing telecommunications services, representing a significant step towards ensuring that all low-income consumers share in the many benefits associated with access to wireless services.

#### **IV. STAND UP WIRELESS SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC**

Section 254(e) of the Act provides that “only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific federal universal service support.” Section 214(e)(2) of the Act authorizes state commissions, such as the Commission, to designate ETC status for federal universal service purposes and authorizes the Commission to designate wireless ETCs.<sup>17</sup> Section 214(e)(1) of the Act and Section 54.201(d) of the FCC’s rules provide that applicants for ETC designation must be common carriers that will offer all of the services supported by universal service, either using their own facilities or a combination of their own facilities and the resale of another carrier’s services, except where the FCC has forborne from the “own facilities” requirement. Applicants also must commit to advertise the availability and rates of such services.<sup>18</sup> As detailed below, Stand Up Wireless satisfies each of the above-listed requirements.

##### **A. Stand Up Wireless Will Provide Service Consistent with the FCC’s Grant of Forbearance from Section 214’s Facilities Requirements**

Although Section 214 and Section 009.02A2 of the Commission’s Rules require ETCs to provide services using their facilities, at least in part, the FCC has forborne from that requirement with respect to carriers such as Stand Up Wireless. In the *Lifeline and Link Up*

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<sup>17</sup> *USF Order*, at 8858-59, ¶ 145.

<sup>18</sup> See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

*Reform Order*, the FCC granted forbearance from the “own-facilities” requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to the following conditions:<sup>19</sup>

(1) the carrier must comply with certain 911 requirements [(a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order]; and

(2) the carrier must file, and the Bureau must approve, a compliance plan providing specific information regarding the carrier’s service offerings and outlining the measures the carrier will take to implement the obligations contained in this Order as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary.”

Stand Up Wireless will avail itself of the FCC’s grant of blanket forbearance. In accordance with the *Lifeline and Link Up Reform Order*, Stand Up Wireless filed its Compliance Plan which the FCC approved on May 25, 2012. A copy of its Compliance Plan, as approved, is attached hereto as Exhibit 4. Stand Up Wireless commits to providing Lifeline service in Nebraska in accordance with the Compliance Plan.

**B. Stand Up Wireless Is a Common Carrier**

CMRS providers like Stand Up Wireless are treated as common carriers.<sup>20</sup>

**C. Stand Up Wireless Will Provide All Required Services and Functionalities**

Through its underlying carrier, Stand Up Wireless is able to provide all of the services and functionalities required by Section 54.101(a) and Section 54.202(a) of the FCC’s Rules (47

<sup>19</sup> See *Lifeline and Link Up Reform Order* at ¶¶ 368, 373 and 379.

<sup>20</sup> *Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services*, GN Docket No. 93-252, Second Report and Order, 9 FCC Rcd 1411, 1425 ¶ 37, 1454-55 ¶ 102 (1994) (wireless resellers are included in the statutory “mobile services” category, and providers of cellular service are common carriers and CMRS providers); 47 U.S.C. § 332(c)(1)(A) (“mobile services” providers are common carriers); see also *PCLA Petition for Forbearance for Broadband PCS*, WT Docket No. 98-100, Memorandum Opinion and Order and Notice of Proposed Rulemaking, 13 FCC Rcd 16857, 16911 ¶ 111 (1998) (“We concluded [in the *Second Report and Order*] that CMRS also includes the following common carrier services: cellular service, ... all mobile telephone services and resellers of such services.”) (emphasis added).



C.F.R. § 54.101(a) and 47 C.F.R. § 54.202(a)) and Section 009.02A2 of the Commission's Rules, including the following:

**1. Voice Grade Access to the Public Switched Telephone Network**

Stand Up Wireless provides voice grade access to the public switched telephone network ("PSTN") through the purchase of wholesale CMRS services from Sprint/Verizon.

**2. Local Usage**

As part of the voice grade access to the PSTN, an ETC must provide minutes of use for local service at no additional charge to end-users. The FCC has not specified a minimum amount of local usage that an ETC must offer.<sup>21</sup> Stand Up Wireless offers a variety of rate plans that provide its customers with minutes of use for local service at no additional charge.

**3. Access to Emergency Services**

Stand Up Wireless provides 911 and E911 access for all of its customers to the extent the local government in its service area has implemented 911 or E911 systems. Stand Up Wireless also complies with the FCC's regulations governing the deployment and availability of E911 compatible handsets.

**4. Toll Limitation for Qualified Low-Income Customers**

In its *Lifeline and Link Up Reform Order*, the FCC stated that toll limitation would no longer be deemed a supported service.<sup>22</sup> "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."<sup>23</sup> Nonetheless, Stand Up Wireless' offerings

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<sup>21</sup> See e.g., *In the Matter of Federal-State Joint Board on Universal Service*, Recommended Decision 15 FCC Rcd 7331 (2002).

<sup>22</sup> See *Lifeline and Link Up Reform Order* at ¶ 367.

<sup>23</sup> See *Lifeline and Link Up Reform Order* at ¶ 49.

inherently allow Lifeline subscribers to control their usage, as its wireless service is offered on a prepaid, or pay-as-you-go, basis. Stand Up Wireless' service, moreover, is not offered on a distance-sensitive basis and local and domestic long distance minutes are treated the same. Stand Up Wireless will not seek reimbursement for toll limitation service.

## **5. Other Services**

While no longer required by 47 C.F.R. § 54.101(a), Stand Up Wireless provides dual tone multi-frequency ("DTMF") signaling to expedite the transmission of call set up and call detail information throughout the network, single party service for the duration of each telephone call and not multi-party (or "party-line") services, access to operator services, the ability to make interexchange, or long distance, telephone calls, and access to directory assistance services by dialing "411" from the provided wireless handsets.

### **D. Stand Up Wireless Will Advertise the Availability of Supported Services**

Stand Up Wireless will broadly advertise the availability and rates for the services described above using media of general distribution as required by 47 C.F.R. § 54.201(d)(2) of the FCC's regulations and Section 009.02A3 of the Commission's Rules. Stand Up Wireless' advertising will comply with the requirements set forth in the *Lifeline and Link Up Reform Order*, as outlined in the Company's Compliance Plan.<sup>24</sup> The Company will advertise its services in a manner reasonably designed to reach those likely to qualify for Lifeline service, using mediums for outreach such as mass media, outreach events, and community and charitable involvement. The Company will engage in advertising campaigns specifically targeted to reach those likely to qualify for Lifeline service, promoting the availability of cost-effective wireless services to this neglected consumer segment. Stand Up Wireless may also promote the

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<sup>24</sup> See Exhibit 4, section I.E. See also *Lifeline and Link Up Reform Order* at Section VII.F.

availability of its Lifeline offering by distributing brochures at various state and local social service agencies, and may partner with nonprofit assistance organizations in order to inform customers of the availability of its Lifeline service. In addition, Stand Up Wireless will utilize its network of retail partners to help promote the availability of its Lifeline plans, especially those retail outlets that are frequented by low income consumers; examples include all Western Union and MoneyGram locations, independent operators including insurance providers, check cashing locations and select discount retailers. Stand Up Wireless will provide retail vendors with signage to be displayed where Company products are sold, and with printed materials describing the Company's Lifeline program.<sup>25</sup>

Statistics suggest that there are many eligible customers who are not yet aware of the programs. According to the best data available to the Company, as of December 31, 2010, fewer than 20% of consumers eligible for Lifeline Services in the State of Nebraska were being provided such services.<sup>26</sup> Stand Up Wireless believes that its advertising and outreach efforts detailed above will inform consumers of the availability of Lifeline service in a manner that will result in significantly higher participation by qualified consumers than has been the case in the past.

**E. Stand Up Wireless Requests Designation Throughout Its Service Area in Nebraska**

Stand Up Wireless is not a rural telephone company as defined in Section 153(37) of the Act (47 U.S.C. § 153(37)). Accordingly, Stand Up Wireless is required to describe the geographic area(s) within which it requests designation as an ETC. Stand Up Wireless requests

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<sup>25</sup> See attached Exhibit 5 for a sample advertisement.

<sup>26</sup> See attached Exhibit 6, 2010 Lifeline Participation Rates by State, which was obtained from USAC, an independent not-for-profit corporation designated as the administrator of the federal Universal Service Fund by the FCC. USAC administers USF programs for high cost companies serving rural areas, low-income consumers, rural health care providers, and schools and libraries.

designation as an ETC throughout the non-rural and rural service areas identified in Exhibit 7 attached hereto. Stand Up Wireless understands that its service area overlaps with rural carriers in Nebraska, but maintains that the public interest factors described below justify its designation in these carriers' service areas, especially because it seeks ETC designation solely to utilize USF funding to provide Lifeline and NTAP service to qualified low-income consumers. It does not seek and will not accept Link-Up or high cost support.

**F. Service Commitment Throughout the Proposed Designated Service Area**

Stand Up Wireless provides service in Nebraska by reselling service which it obtains from its underlying facilities-based provider. The provider's network is operational and largely built out. Thus, Stand Up Wireless will be able to commence offering its Lifeline service to all locations served by its underlying carrier very soon after receiving approval from the Commission. Stand Up Wireless commits to comply with the service requirements applicable to the support that it receives.<sup>27</sup>

Further, Stand Up Wireless is able to and commits to continuously provide the supported services throughout its designated service area in accordance with Section 009.02A4 of the Commission's Rules. In the unlikely event that Sprint/Verizon were to cease network operations throughout the designated service area, the Company would enter into a resale agreement with other succeeding wireless carrier(s) in order to maintain continuity of service. In accordance with Section 009.02A5 of the Commission's Rules, Stand Up Wireless also commits to provide service throughout its designated service area to all eligible customers who make a reasonable request for service.

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<sup>27</sup> See *Lifeline and Link Up Reform Order* at page 208, revised § 54.202(a)(1)(i); see also Section 009.01 of the Commission's Rules.

#### **G. Five-Year Network Improvement Plan**

As set forth in the *Lifeline and Link Up Reform Order*, a common carrier seeking designation as a Lifeline-only ETC is not required to submit a five-year network improvement plan as part of its application for designation as an ETC.<sup>28</sup>

#### **H. Ability to Remain Functional in Emergency Situations**

In accordance with 47 CFR §54.202(a)(2), Stand Up Wireless has the ability to remain functional in emergency situations. Through its agreement with its underlying carrier, Stand Up Wireless provides to its customers the same ability to remain functional in emergency situations as currently provided by the ILECs to their own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, the ability to reroute traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations.

#### **I. Commitment to Consumer Protection and Service Quality**

Under FCC guidelines, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards.<sup>29</sup> The Company commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards. Specifically, Stand Up Wireless commits to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service.

#### **J. Local Usage Requirement**

An applicant for ETC designation is no longer required to demonstrate that it offers a local usage plan that is "comparable" to the plan offered by the ILEC in the relevant service

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<sup>28</sup> See *Lifeline and Link Up Reform Order* at ¶ 386.

<sup>29</sup> See 47 C.F.R. § 54.202(a)(3).

territory.<sup>30</sup> Nevertheless, not only will the Company's offering be comparable to the underlying ILEC plans, but it also will exceed them in several respects. Stand Up Wireless will offer customers a certain amount of service free of charge. In contrast to the ILEC plans, which contain relatively small local calling areas, Stand Up Wireless customers can use these free minutes to place calls statewide (and even nationwide) because Stand Up Wireless does not constrict customers' use by imposing a local calling area requirement. Stand Up Wireless will also provide Lifeline customers with E911 capabilities and access to voice mail, caller I.D., and call waiting services at no cost. The very nature of the wireless phone, i.e. mobility, has a tremendous benefit to many consumers, a benefit to which a monetary value cannot be easily assigned.

**K. Equal Access Requirement**

The FCC's Rules no longer require an applicant for ETC status to acknowledge that the FCC may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area.<sup>31</sup>

**L. Stand Up Wireless is Financially and Technically Capable**

Stand Up Wireless is financially and technically capable of providing Lifeline-supported services.<sup>32</sup> Global Connection has been offering non-Lifeline and Lifeline wireline service since 1998 and began providing non-Lifeline and Lifeline-supported wireless service in April 2011. The Company generates substantial revenues from non-Lifeline services and has access to capital from its investors. The majority owner of Global Connection is Milestone Partners, a Pennsylvania private equity firm. Consequently, Global Connection has not relied, and will not be

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<sup>30</sup> See *Lifeline and Link Up Reform Order* at page 208, revised § 54.202(a).

<sup>31</sup> See *id.*

<sup>32</sup> See *Lifeline and Link Up Reform Order* at ¶ 387.

relying exclusively on Lifeline reimbursement for the Company's operating revenues. The Company has not been subject to enforcement sanctions or ETC revocation proceedings in any state. Furthermore, the senior management of Stand Up Wireless has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to the Company.<sup>33</sup> Stand Up Wireless will be providing resold wireless service, and therefore will also rely upon the managerial and technical expertise of its underlying carrier.

**M. Stand Up Wireless Will Comply with Certification and Verification Requirements**

Section 54.410 of the FCC's Rules requires ETCs to certify and verify a Lifeline customer's initial and continued eligibility. Stand Up Wireless will certify and verify consumer eligibility in accordance with the FCC's requirements, with applicable Commission rules, and in accordance with its Compliance Plan, which outlines how the Company will comply with the requirements set forth in the *Lifeline and Link Up Reform Order*.

**N. Stand Up Wireless Will Comply With Regulations Imposed By The Commission**

By this Application, Stand Up Wireless hereby asserts its willingness and ability to comply with the rules and regulations that the Commission may lawfully impose upon the Company's provision of service contemplated by this Application. Upon Commission request, Stand Up Wireless is prepared to answer questions or present additional testimony or other evidence about its services within the state. Stand Up Wireless commits that 100% of federal universal service funds will flow through directly to Lifeline customers.

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<sup>33</sup> See Exhibit 8 for key management resumes.

## **1. Nebraska ETC Designation**

By this Application, Stand Up Wireless also requests designation as a Nebraska ETC for purposes of participating in the NTAP program. In accordance with NETC Rule 004.04A and 004.04B, Stand Up Wireless commits to comply with Section 006 of the NETC Rules to the extent such rules are applicable to the Company as a prepaid wireless provider. Stand Up Wireless commits to offer NTAP services in compliance with the Commission's orders, rules and regulations regarding NTAP including the requirement to use only the Commission's NTAP application form, requirements regarding additions and removals of NTAP subscribers from the NTAP program and the semiannual reporting of NTAP customer lists. Stand Up Wireless further commits to comply with the requirements recently adopted in the FCC's *Lifeline and Link Up Reform Order* to annually verify the eligibility of each of its NTAP subscribers in cooperation with the NTAP Department of the Commission.<sup>34</sup>

## **V. DESIGNATION OF STAND UP WIRELESS AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST**

One of the principal goals of the Act, as amended by the Telecommunications Act of 1996, is "to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies" to all citizens, regardless of geographic location or income.<sup>35</sup> Designation of Stand Up Wireless as an ETC in Nebraska will further the public interest by providing Nebraska consumers, especially low-income consumers, with low prices and high quality services. Many low-income customers in Nebraska have yet to reap the full benefits of the intensely competitive wireless market. Whether because of financial constraints, poor credit history or intermittent employment, these

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<sup>34</sup> See *Lifeline and Link Up Reform Order* at pages 240-42.

<sup>35</sup> *Telecommunications Act of 1996*, Pub. L. No. 104-104, 110 Stat. 56.



consumers often lack the countless choices available to most consumers.

The instant request for ETC designation must be examined in light of the Act's goal of providing low-income consumers with access to telecommunications services. The primary purpose of universal service is to ensure that consumers—particularly low-income consumers—receive affordable and comparable telecommunications services. Given this context, designating Stand Up Wireless as an ETC would significantly benefit low-income consumers eligible for Lifeline service in the State of Nebraska—the intended beneficiaries of universal service.

**A. Advantages of Stand Up Wireless' Service Offering**

The public interest benefits of the Company's wireless service include larger local calling areas (as compared to traditional wireline carriers), the convenience and security afforded by mobile telephone service, the opportunity for customers to control cost by receiving a preset amount of monthly airtime at no charge, the ability to purchase additional usage at flexible and affordable amounts in the event that included usage has been exhausted, 911 service and, where available, E911 service in accordance with current FCC requirements. The Company's Lifeline customers will receive the same high-quality wireless services and exceptional customer service provided to all Company customers. Stand Up Wireless' Lifeline rate plans will not only allow feature-rich mobile connectivity for qualifying subscribers at no cost to the subscriber, but also will bring a variety of rate plans into the reach of Lifeline customers that are comparable in minutes and features to those available to post-paid wireless subscribers – but at low Lifeline rates and without the burden of credit checks or contracts.

Stand Up Wireless' Lifeline program will provide low-income Nebraska residents with the convenience and security offered by wireless services—even if their financial position deteriorates. The Company's Lifeline service will allow those adversely impacted by the failing economy or

job loss to have access to wholly-supported wireless service to assist in emergency situations, facilitate job search efforts, and to maintain contact with family members.

It is also a commonly accepted fact that in today's market all consumers, including qualified Lifeline customers, view the portability and convenience of wireless service not as a luxury, but as a necessity. Mobile service allows children to reach their parents, wherever they may be, allows a person seeking employment the ability to be contacted by potential employers, and provides end users with the ability to contact emergency service providers, regardless of location. Providing Stand Up Wireless with the authority necessary to offer discounted Lifeline service to those most in danger of losing wireless service altogether undoubtedly promotes the public interest.

Moreover, grant of Stand Up Wireless' Application will serve the public interest in increasing the number of ETCs in Nebraska. By granting ETC status to Stand Up Wireless, the Commission will enable Stand Up Wireless to increase the number of Nebraska residents receiving Lifeline support, thereby increasing the amount of USF money flowing into Nebraska. In sum, ETC designation in the State of Nebraska would enable Stand Up Wireless to provide all of the public benefits cited by the FCC in its analysis in the *Virgin Mobile Order*. Namely, Stand Up Wireless would provide "increased consumer choice, high-quality service offerings, and mobility,"<sup>36</sup> as well as the safety and security of effective 911 and E911 services.<sup>37</sup>

#### **B. The Benefits of Competitive Choice**

The benefits to consumers of being able to choose from among a variety of telecommunications service providers have been acknowledged by the FCC for more than three

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<sup>36</sup> See *Virgin Mobile Order*, 24 FCC Rcd at 3395 ¶ 38.

<sup>37</sup> See *Id.* at 3391 ¶ 23.

decades.<sup>38</sup> Designation of Stand Up Wireless as an ETC will promote competition and innovation, and spur other carriers to target low-income consumers with service offerings tailored to their needs and to improve their existing networks to remain competitive, resulting in improved services to consumers. Designation of Stand Up Wireless as an ETC will help assure that quality services are available at "just, reasonable, and affordable rates" as envisioned in the Act.<sup>39</sup> Introducing Stand Up Wireless into the market as an additional wireless ETC provider will afford low income Nebraska residents a wider choice of providers and available services while enhancing the competitive marketplace as ETCs compete for a finite number of Lifeline-eligible customers. Increasing the competitive marketplace of providers has the potential to effectively increase the penetration rate and reduce the number of individuals not connected to the PSTN.

#### **C. Impact on the Universal Service Fund**

With Lifeline, ETCs only receive support for customers they obtain. The amount of support available to an eligible subscriber is exactly the same whether the support is given through a company such as Stand Up Wireless or the Incumbent LEC operating in the same service area. Stand Up Wireless will only increase the amount of USF Lifeline funding in situations where it obtains Lifeline customers not enrolled in another ETC's Lifeline program. By implementing the safeguards set forth in the *Lifeline and Link-up Reform Order*, Stand Up Wireless will minimize the likelihood that its customers are not eligible or are receiving duplicative support either individually or within their household. Significantly, the Company's designation as an ETC will not increase the number of persons eligible for Lifeline support. Stand Up Wireless' ability to increase the Lifeline participation rate of qualified low-income individuals will further the goal of Congress to provide all individuals with affordable access to

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<sup>38</sup> See, e.g., *Specialized Common Carrier Services*, 29 FCC Rcd 870 (1971).

<sup>39</sup> See 47 U.S.C. § 254(b)(1).

telecommunications service, and thus any incremental increases in Lifeline expenditures are far outweighed by the significant public interest benefits of expanding the availability of affordable wireless services to low-income consumers. According to the FCC, “the additional choice and service options of another wireless reseller offering a service for low-income consumers represents a significant benefit for consumers and is in the public interest,” and “A new entrant should incent existing wireless reseller ETCs to offer better service and terms to their customers, which provides additional evidence that forbearance in the context of the Lifeline program outweighs the potential costs.”<sup>40</sup>

## **VI. ANTI-DRUG ABUSE CERTIFICATION**

Stand Up Wireless certifies that no party to this Application is subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

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<sup>40</sup> See *Petition of i-wireless, LLC for Forbearance from 47 U.S.C § 214(e)(1)(A)*, Order, FCC 10-117 (rel. June 25, 2010) at ¶ 19.

## VII. CONCLUSION

Based on the foregoing, designation of Stand Up Wireless as an ETC in the State of Nebraska accords with the requirements of Section 214(e)(2) of the Act and is in the public interest.

WHEREFORE, Stand Up Wireless respectfully requests that the Commission promptly designate Stand Up Wireless as an ETC in the State of Nebraska.

Respectfully submitted,



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